

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
JUNE 20, 1995  
CHICAGO, ILLINOIS**

A Regular Meeting of the Illinois Gaming Board was held on June 20, 1995 in the auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Gayl S. Pyatt, and Robert F. Vickrey. Member J. William Roberts was not present.

Also in attendance were: Administrator Michael A. Belletire, Deputy Administrators Joseph C. Haughey and Thomas Swoik, William O'Connor Legal Counsel to the Board, other members of the staff, the media, the general public and interested parties.

Chairman Johnson called the meeting to order at 9:30 a.m. and the Board immediately adjourned to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:

1. Issues Concerning Applicants and Licensees
2. Recommendations of Administrative Law Judges
3. Pending and Probable Litigation Matters
4. Personnel Matters
5. Closed Session Minutes

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:32 a.m.

The Illinois Gaming Board reconvened in Open Session at 12:42 p.m. Four of the five members of the Board being present, a quorum was satisfied.

The Board announced the cancellation of the regularly scheduled meeting of August 15, 1995.

Member Pyatt moved that the minutes from the open and closed sessions of the Regular Meetings of April 25, 1995 and May 16, 1995 be approved. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

The next order of business was the Administrator's Report.

Administrator Belletire indicated that May was a record month for the riverboats. The Adjusted Gross Revenues exceeded \$100 million for the collective licensees, and the admissions for the month of May reached a record high totalling 2,186,000. Mr. Belletire stated that the number and frequency of identification checks for underage patrons

increased significantly in May, compared to the month of April. He noted a doubling the number of people who were turned away for lack of proper identification. He stated that there were no dramatic changes on the credit side from April to May. Mr. Belletire stated that SB1270 (compulsive gambling legislation) was passed by the General Assembly and is currently awaiting action by the Governor.

Deputy Administrator Haughey discussed his preliminary review of the owner licensees security systems as they relate to the detection of underage persons on the riverboats. A questionnaire divided into three categories was sent to all owner licensees. The first series of questions dealt with the staffing of the security departments. The second series dealt with the actual procedures that licensees employ in determining and identifying underage persons. The third series of questions had to do with responsibilities of other employees i.e., non-security personnel in detecting underage patrons. Commander Haughey will compile a final written report for Board scrutiny.

Administrator Belletire continued with his report by informing the Board that the IGB had expanded its Chicago office space to occupy the entire third floor of the State of Illinois Building. He further stated that with Administrator approval, Players has begun improvements on the land based section of their property, specifically undertaking the construction of a parking lot and also the development of a two story structure to house administrative staff. The cost of improvements are approximately \$650,000. Hollywood Casino Aurora also has the Administrator's approval to be closed for a three day period to undertake infrastructure repairs. They are also approved to transfer some electronic gaming devices from the City of Lights II to the City of Lights I.

The next order of business was Items Concerning Owner Licensees.

Kevin Larson, representing the Empress River Casino, appeared and requested approval of their renewal license. Chairman Johnson asked Mr. Larson to discuss what they are doing reference the compulsive gaming issue. Mr. Larson stated that they have conferred with St. Joseph's Medical Center in Joliet who are investigating implementation of an assistance center in the area. Member Pyatt asked if the problem of compulsive gambling is something the ownership would contribute to if something was proposed along that line. Mr. Larson agreed.

Member Vickrey moved for the adoption of the following resolution:

BE IT RESOLVED:

The Board renew the Owner's License of the Empress River Casino Corporation for a period of one year commencing in July of 1995. In renewing the Owner's License, the Board notes the following:

- (1) The Empress River Casino Corporation and its management should undertake additional measures and commitments to the promotion of economic development within the greater Will County area. As an

established and profitable economic force of some consequence, Empress and its management should assume a leadership role in economic development beyond its immediate location.

- (2) Empress has exhibited cooperation with the Board in identifying internal control difficulties and in sanctioning its employees for violations. Employee training conducted by Empress should place increased emphasis upon the importance of employee integrity.
- (3) The Board requests the cooperation of Empress in the conducting and financing of an economic impact analysis of gaming.

Member Browder seconded the motion. The motion was approved unanimously by voice vote.

Lois Mayer, Mokena, IL, in her capacity as a former Will County Board Member stated that she supported endorsing two riverboat gambling sites in Joliet in 1990. She stated she would like to see more equitable distribution of the local governmental revenue from these riverboats to surrounding areas of Joliet within Will County. In an effort to maintain an acceptable perception she urged the Board to take the lead in the State of Illinois in campaign reform and establish strict restriction of campaign contributions to all political organizations and candidates.

Chairman Johnson asked if there is communication between the governments of Will County to address some of these issues. Ms. Mayer indicated that there has been an attempt to work with the City of Joliet but that has not been successful. Chairman Johnson indicated that many of the issues brought up are legislative rather than regulatory in nature. He suggested that she continue to pursue her concerns with those appropriate bodies as well.

Joseph Duellman, representing H.P., Inc. appeared and requested approval of their license renewal.

Reverend Tom Grey, Galena, IL spoke on behalf of Sara Fischer, citizen of Galena, to re-emphasize her environmental concerns for the area in which the Silver Eagle operates.

Sandra Beyer, Elizabeth, IL spoke as an individual against the renewal of H.P., Inc. She feels that H.P., Inc. is not the good neighbor they continually claim to be and that they have a history of shading the truth that borders on deception, that they are a negative social impact and is also concerned with the negative environmental impact that, in her opinion should have been better addressed.

Judy Gratton, Chairperson of the Jo Daviess County Board spoke in support of the renewal of H.P., Inc.'s license. She also commented on what she felt were difficulties in communicating with IGB staff.

Bill McFadden, former Board Chairman of the Jo Daviess County Board and current Chairman of the County Development Board spoke in support of the renewal of H.P., Inc.'s license.

Mrs. Johnson, Chair of the Social and Environmental Committee for the County Board spoke in support of the renewal of H.P., Inc.'s license.

Chairman Johnson asked Mr. Duellman to expand on any discussion he had with the County Board regarding compulsive gambling and the Silver Eagle's responsibilities. Mr. Duellman stated they will make a contribution to an appropriate social service agency resource located in Jo Daviess County when one is established.

Member Pyatt moved for the adoption of the following resolution:

BE IT RESOLVED:

The Board renew the Owner's License of the HP, Inc. for a period of one year commencing in July of 1995. In renewing the Owner's License, the Board notes the following items of concern:

- (1) Prudent financial management will be required in the year ahead. The licensee is to work closely with the Board's Administrator in identifying all measures that can be taken to improve the financial viability of the Silver Eagle.
- (2) Turnover in personnel can contribute to minor operating and internal control difficulties. The licensee is encouraged to work closely with the Administrator to ensure that key positions remain filled and that employee training receives ongoing attention.
- (3) Concerns between the licensee and the U.S. Department of Fish and Wildlife appear to have been resolved. The Board desires the licensee to adhere to commitments established between these parties.

Additionally, the Board notes for the licensee the following:

- (1) The Board currently has under study all management services contracts that are based upon a percentage of gross revenues. HP, Inc., which has such a contract, is advised that the Board may, in the near future, place new limitations on such contracts.
- (2) The Board requests the cooperation of HP, Inc. in the development of studies and analyses relating to the economic impact of gaming.

Member Vickrey seconded the motion. The motion was approved unanimously by voice vote.

George W. Loveland, Associate General Counsel for The Promus Companies, Inc., appeared and requested approval of the transfer of shares in Harrah's Illinois Corporation from Harrah's Club to what will become Harrah's Operating Company, Inc.. He further asked for approval of several Board Members of The Promus Companies Incorporated. Chairman Johnson asked for clarification regarding aspects of the way in which certain shared services between Harrah's Entertainment and the new Promus Hotel Company were priced. Clarification was provided.

Member Pyatt moved that the Board approve Des Plaines Development Corporation's request to transfer Harrah's Club's ownership interest in Harrah's Illinois Corporation to Harrah's Operating Company. Member Browder seconded the motion. The motion was approved unanimously by voice vote.

Member Browder moved that the Board approve James Barksdale, James Farley, Joseph Henson, Walter Salmon, Edward Williams and Shirley Young as members of the Board of Directors of The Promus Companies Incorporated and its successor company, Harrah's Entertainment Incorporated. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Michael Ficaró, appeared on behalf of Southern Illinois Riverboat Casino and requested approval of a Member of the Board of Directors.

Member Browder moved that the Board approve Thomas Gallagher as a member of the Board of Directors of Players International, Incorporated. Member Vickrey seconded the motion. The motion was approved unanimously by voice vote.

A representative of Argosy Gaming requested approval for a member of the Board of Director's of Argosy Gaming Company.

Member Browder moved that the Board approve George Bristol as a member of the Board of Directors of Argosy Gaming Company. Member Vickrey seconded the motion. The motion was approved unanimously by voice vote.

The next order of business was Proposals for Initial Consideration.

Kevin Larson, President of Empress River Casino, asked for initial consideration of the construction of a 102 room hotel facility to be located across the parking lot from the riverboat. The project would be financed solely through corporate cash flow, with an estimated cost of approximately \$5 million. Mr. Larson also requested renewal of an unsecured line of credit in the amount of \$1 million from the First National Bank of Lockport.

Susie Saxman of D'Ancona and Pflaum, representing the Empress River Casino Stockholders, asked the Board to consider the transfer of approximately 6 1/2% of the stock from some of the existing stockholders to the remaining stockholders.

John Janicik, representing Casino Queen, Inc., requested initial consideration of an increase in their Line of Credit with Harris Bank from \$1.2 million to \$5 million.

Ty Fahner, Counsel, Bob Kingsley, Chief Operating Officer of National Gaming Corporation ("NGC") and Jim Buckman from Hospitality Franchise Systems ("HFS") appeared to answer any questions by the Board and assist in the flow of information regarding the transfer of ownership of the Par-A-Dice Gaming Corporation to NGC.

The next order of business concerned Supplier's Licensure Items.

Member Browder moved that the Board approve Universal Distributing of Nevada's application for renewal of its Supplier's License. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Browder moved that the Board approve Aristocrat, Incorporated's application for a Supplier's License. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Occupational Licensure.

Member Pyatt moved that the Board adopt the staff recommendation and deny George Lewis' application for an Occupational License, Level 1.

Member Pyatt moved that the Board adopt the staff recommendation and approve the applications for an Occupational License, Level 1, submitted by Douglas Hoppe and Patrick Rogers.

Member Pyatt moved that the Board adopt the staff recommendations and approve 148 applications for an Occupational License, Level 2, and 396 applications for an Occupational License, Level 3 and deny 6 applications for an Occupational License, Level 2, and 3 applications for an Occupational License, Level 3.

Member Browder seconded the motion. The motion for these approvals and denials was approved unanimously by voice vote.

The next order of business concerned Administrative Hearings.

Member Vickrey moved that the Board, having reviewed the administrative record, adopt the findings of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge and deny the application for an occupational license for Marian Lampkin. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Vickrey moved that the Board, having reviewed the administrative record, adopt the findings of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge and uphold the exclusion of and deny the application for an occupational license for David Leek. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Vickrey moved that the Board, having reviewed the administrative record, adopt the findings of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge and deny the application for an occupational license for Troy Roberts. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Vickrey moved that the Board deny the requests for hearing submitted by the following individuals in that these requests failed to comply with Board Rule 3000.405.

Richard Capcik  
James O'Neal

Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Vickrey moved that the Board grant to Kendricks Howliet leave to reapply for an occupational license within one year of today's date. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Member Vickrey moved that the Board grant leave to Lawrence Ewert to withdraw his request for a hearing. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Board policy Items.

Administrator Belletire indicated to the Board that the Attorney General requested the release of various documents concerning the owner application of Mississippi Gold in conjunction with a legal dispute.

Member Browder moved that the Board approve the Attorney General's request for documents regarding the Mississippi Gold owner's application. Member Pyatt seconded the motion. The motion was approved unanimously by voice vote.

There being no further business to come before the Board, Member Pyatt moved that the Board stand adjourned. Member Browder seconded the motion. The motion was approved unanimously by voice vote and the Board stood adjourned at 2:25 p.m.

Respectfully Submitted,

Susan A. Offord  
Secretary of the Board